

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER

☐

DATE

August 14, 2019

MOTOR CARRIER MATTER

☐

DOCKET NO.

2019-191-G

UTILITIES MATTER

☒

ORDER NO.

2019-573

THIS DIRECTIVE SHALL SERVE AS THE COMMISSION'S ORDER ON THIS ISSUE.

SUBJECT:

DOCKET NO. 2019-191-G - Petition of Piedmont Natural Gas Company, Incorporated for Approval and Authorization to Implement New Depreciation Rates - Staff Presents for Commission Consideration Piedmont Natural Gas Company, Incorporated's Petition for Approval and Authorization to Implement New Depreciation Rates.

COMMISSION ACTION:

Piedmont Natural Gas Company requests approval of new depreciation rates as well as authorization to implement such rates effective November 1, 2019. Piedmont currently uses the depreciation rates that were approved by Commission Order No. 2016-705, which were adopted from the settlement agreement between the Office of Regulatory Staff and Piedmont in Docket No. 2016-7-G. The ORS has reviewed the request and filed a letter recommending approval of the new depreciation rates.

The current depreciation rates were based on a study of Piedmont's North Carolina, South Carolina, and Corporate depreciable assets as of October 31, 2014. However, a new depreciation study was conducted as part of its general rate case filed with the North Carolina Utilities Commission on April 1, 2019 that updated depreciable assets as of September 30, 2018. This new study recommended certain updates and changes to Piedmont's existing depreciation rates. Piedmont seeks to implement new depreciation rates to amortize the costs of assets, net of salvage value, over the estimated useful life of the assets based on the depreciation rates recommended in the 2018 Depreciation Study.

In tandem with the implementation of new depreciation rates, Piedmont also seeks approval to reallocate book reserves as recommended in the 2018 Depreciation Study.

The company maintains that implementation of the proposed depreciation rates and reallocation of book reserves effective November 1, 2019 will permit Piedmont to more properly align the Company's recovery of its invested capital with the useful life of its underlying plant assets.

I move that we approve the new depreciation rates as well as authorization to implement such rates effective November 1, 2019.

I also move that we approve reallocation of book reserves as recommended in the 2018 Depreciation Study.

PRESIDING: RandallSESSION: RegularTIME: 2:00 p.m.

	MOTION	YES	NO	OTHER
BELSER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
ERVIN	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

HAMILTON	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>Absent</u>	sick leave
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
RANDALL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
WILLIAMS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		voting via telephone

(SEAL)

RECORDED BY: J. Schmieding

